

Talking Points for Telephone Calls on the President's Speech

The Soviet invasion of Afghanistan and the installation of a puppet government is a grave step which affects our vital interests.

-- It places the Soviets within fighter range of the Persian Gulf -- our oil lifeline.

-- It threatens an old ally, Pakistan.

-- It threatens the prospect of increased Soviet pressure on Iran and other nations of the Middle East.

-- Above all, it shows the Soviets will use force to take over a neighboring country. They must be shown that aggression does not pay.

Accordingly, the President will announce at nine this evening several U.S. actions:

1. He will direct/under the authority of the Export Control Act the Secretary of Commerce, in consultation with the Secretary of Agriculture, to embargo all grain shipments to the Soviet Union in excess of the 8 million tons per year which we are committed to sell under our five-year grain sale agreement. This will reduce Soviet purchases in this crop year by approximately 17 million tons. He will also direct that exports of other agricultural products to the Soviet Union be halted.

2. He will take measures to offset the impact of this embargo on the American farmer. The Department of Agriculture will take administrative actions under the price support and farmer-owned grain reserve programs and make purchases at prevailing market

prices to remove from the market the full quantities we will embargo. A portion of the wheat will be available for shipment to poor countries eligible for assistance under the PL 480 program. Over the next few years, an increasing amount of feed grains will be devoted to the production of alcohol to be used in a gasohol fuel that will reduce our need for imported oil.

3. He has consulted with the leaders of Congress, who have assured him they will cooperate in enacting any legislation needed to remove the burden of the embargo from our farmers. He has also consulted with the heads of other principal grain exporting nations, and he is confident they will not replace the quantities we have embargoed.

4. He will also direct that new licenses of high-technology or other strategic items to the Soviet Union be stopped until further notice while we review our licensing policy. He will also order a review of certain licenses, particularly oil production technology and equipment already issued to determine whether any should be suspended or cancelled. He will order the application of more stringent procedures to other items, such as phosphates and farm machinery, for which no specific license is now required. We are in consultation with our allies, and we expect to coordinate our policies to assure that these measures are not offset.

5. He has also directed the Department of State to withhold any further allocation to the Soviet Union for fishing rights within the U.S. 200-mile fishery zone. This will reduce the Soviet allocation for this year by approximately 350,000 tons.

6. He will issue orders to restrict other Soviet commercial activities in the United States and to curtail a number of our official exchange programs and activities.

7. Finally, he will take several actions to strengthen the security of the region. He will be asking the Congress for approval of the necessary authority and funds to do so.